OCTOBER 28, 1963

ECONOMIC GROWTH IN UNDERDEVELOPED NATIONS

HOW U.S. WHEAT IS SOLD FOR EXPORT

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

OCTOBER 28, 1963

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This vessel, named for the famous Black Sea port of Sebastopol, was the first Soviet ship to take on wheat from Canada as a result of the recent purchase. The Sebastopol sailed from Montreal at the end of September.

Contents

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In an address to the Board of Governors of the World Bank President George D. Woods analyzes the problems facing the developing countries and proposes that the Bank revise its broad policy to place more emphasis on agriculture.

Quickening the Tempo Of Economic Growth In Developing Nations

Despite the voices of pessimism, there is no doubt in my mind that a considerable advance has been made by the underdeveloped countries in the postwar period. Over the last 15 years their industrial production has risen two-and-a-half times and agricultural production by almost forty percent.

By historical standards, this is a notable achievement. Not only do many underdeveloped countries have a substantial record of growth in production and investment, but equally important, an impressive fund of experience and skill has been created. The time is not too distant, I believe, when some countries which are now themselves struggling with the problems of development will be helping others less advanced. A few such instances are indeed already emerging. This is the best proof, if proof were needed, that achieving sustained economic growth in the developing nations is not a task without end or without hope.

But the development problems still facing us are huge. If anything, the need to quicken the tempo of economic growth is now more urgent than ever, simply because aspirations for progress are now so universal. In many underdeveloped nations the rate of progress remains discouragingly slow. And there are many new nations taking up the reins of their own affairs for the first time which are joining the development race far in the rear.

This is not the occasion for trying to analyze all the many factors which serve, in varying degree in different countries, to put a brake on economic progress. There are three problems, however, which, because of their importance and the breadth of their impact, seem to me to warrant special attention.

Too few primary products

Let me deal first with the commodity problem. Despite considerable industrial advance since the war, most underdeveloped countries have remained dependent for their foreign exchange earnings on a limited range of primary products. Prices of these products suffer from severe fluctuations. In addition, international demand for many of them increases only moderately.

In the postwar period—one of prosperity in the developed world—the export income of underdeveloped countries as a group has increased at only 3 percent per year. All evidence suggests that this is less than the growth in the needs of these countries for imports to achieve a satisfactory growth in income.

Import substitution as a means of saving foreign exchange expenditure is a partial answer. If the national market is small, however, the room for efficient import substitution is limited and growth is difficult unless new exports can be developed quickly. The alternatives facing these countries are either to contain their imports and depress their income growth or to widen their exchange gap and face future balance of payments difficulties.

The past year has seen an upswing in commodity prices following a sharp downward movement from 1957 to 1962. But it is not clear that this recovery will be lasting and, in any case, it does not touch the problem of those countries whose exports face competition from more efficient synthetics or from agricultural production in the importing regions. It follows, therefore, that a far-reaching diversification of the production and exports of the developing countries is a basic requisite for their sound economic progress.

Debt structure unfavorable

Turning now to the debt problem, it is common knowledge that the external obligations of the developing countries have risen considerably over the past several years. This fact by itself is not disturbing. As long as a country needs net capital inflow and can use it productively, there is nothing inconsistent between growing indebtedness and growing economic strength. Even the interest burden on the existing debt is not excessive.

The disturbing factor in the current situation is the unfavorable structure of the debt for many countries. All too frequently, too much of the debt has been contracted at short or medium term, so that there is an excessive concentration of repayment obligations in the early years. In one geographic area, for example, half of the present debt has to be repaid during the next 5 years. This is a matter which needs to be given greater weight in the future in fixing the terms upon which development assistance is made available.

The policy problem

Finally, let me say a few words about the policy problem within the developing countries themselves. Efforts to mobilize national resources for economic development have been handicapped by political and social factors, by

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Dr. Woods' address was delivered in Washington, D.C., Sept. 30, 1963.

runaway inflation and capital flight, and by other impediments to economic growth. Ideological preconceptions in some underdeveloped countries have caused private foreign investment to hesitate or even turn away. Some of these obstacles—political expediency, inflation, ideologies—also prevent rational allocation of investible resources.

Admittedly, no one can prescribe with assurance any one optimum pattern of investment. Nevertheless, the large and glamorous prestige project which is not productive or the small feeder road which is not maintained are easily recognized instances of waste. Nor is it difficult to find instances where balance of payments pressures can be traced to improper domestic policies. Insufficient savings efforts or inadequate fiscal and monetary policies can slow down export growth or be the main cause of external financial difficulties.

The three problems which I have touched upon are only part of the background against which the Bank group of institutions must now formulate their future policies. To the economic difficulties they present must be added the fact that most of our new members lack the administrative structure and are inexperienced in the techniques necessary to carry forward the development process. To lend money to them wisely involves a much greater investment of human skills than in the case of countries with a longer experience of development administration.

In some countries, too, a number of the more obvious and more easily manageable investment projects, mostly of an infrastructure nature—the large power plants, the highway, railroad and port expansion schemes, the big irrigation projects — have already been or are being financed. These countries now have a growing need for help in other sectors, in particular in agriculture, industry, and education, which often present much greater problems of appraisal, planning, and management.

All of these considerations suggest, I believe, that the time has come when the Bank will have to add new dimensions to both its lending and technical assistance activities. We will have to be prepared, on the one hand, to give more technical advice and assistance earlier in the development process and, on the other, to follow development into its more advanced stages and to use new techniques for that purpose.

More help for agriculture

If we are going to intervene earlier in the development process, for example, we are going to have to do much more to help agriculture. In a great many of our less developed member countries, agriculture employs four-fifths of the population. It also provides materials and generates the market demand which together are the basis for healthy industrial growth.

The scale of our lending for agriculture has not, in my view, been commensurate with the importance of this sector. Thus far most of it has been for large-scale irrigation, flood control, or land clearance projects. I believe that we must now intensify our support of agricultural development on a broader front—through such means as helping to finance storage facilities and farm-to-market roads, and through strengthening agricultural organizations that extend credit and technical help to the farmer. Such programs are unlikely to yield quick and dramatic returns, and they will be expensive to support in terms of both manpower and administrative costs. But the need is clear and urgent.

One way, I think, in which the Bank could be especially useful is by helping to build up local agricultural credit and investment institutions, which might progressively become important channels for our financing to the agricultural sector and catalysts for a wide range of measures to raise its productivity. Such institutions, by associating technical advice and supervision with the provision of investment funds, can greatly enhance the effectiveness of both.

There is an obvious analogy with the role of the industrial finance companies in many countries, with which we have developed such satisfactory relationships. The problems of agricultural financing are different, and inherently more difficult, in many ways. But if, in addition to their direct impact upon agricultural production, our loans serve also to build up vigorous, efficient national agricultural development agencies, we shall have made a valuable contribution to long-range economic progress in the borrowing countries.

Time to change terms

The whole range of development problems as they are now evolving is extremely complex, and we are only beginning to find the answers to them. One thing I am sure of, however; as we move out to meet these problems, we should take the fullest possible advantage of the strong financial position in which the Bank now finds itself. We should not hoard our strength, we should use it.

To use but one example, I think the Bank now not only has ample reason, but ample strength and ample experience to modify the terms of its lending, in appropriate cases, so that they will be more suitable for the new kinds of clients and the new kinds of projects that must begin to concern us. In particular instances, the grace period may need to be lengthened, to allow the project financed to be brought into full earning power, or to give a longer breathing spell to a borrower whose repayment capacity may take some years to build up. And it would be equally reasonable, in given instances, to lengthen the maturity of Bank loans which up to now have generally had a maximum life of 25 years.

Government action essential

I have emphasized the new directions in which I believe the Bank must move because that is the immediate business which concerns us here today. But we must frankly recognize that the Bank's efforts are only a small part of the picture. If the tempo of development is really to be quickened, if we are really to make progress in solving the problems which I sketched at the beginning of this talk, it will call for increased determination and more effective action by national governments, both of the in-

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How U.S. Wheat Is Sold for Export

The expectation that large quantities of U.S. wheat and flour will be moving soon to the Soviet Union and East European countries turns the spotlight on U.S. grain export programs and procedures.

As the President announced on October 9, shipments to these countries will be handled by the private grain trade on a normal commercial sales basis. The President did, however, mention five conditions for the granting of export licenses to ship this grain. Commitments must be given that the wheat is for delivery to and use in the Soviet Union and Eastern Europe only. No one U.S. trader may obtain licenses covering more than 25 percent of the grain shipments approved. Ships of U.S. registry should be used, supplemented as necessary by foreign vessels. Payment will be in cash or on normal commercial credit terms. And prices will be on the basis of the prevailing world prices at the time contracts are concluded.

Export role of U.S. Government

U.S. exports of wheat are handled by private trade, but the government plays an important supporting role. The reason it does so is that since 1938, under various government programs to support the prices of certain farm products, the domestic price of U.S. wheat has tended to be higher than the world price. This helps to improve the U.S. wheat farmer's income but at the same time it raises competition problems for U.S. exporters.

The domestic price of wheat is supported through purchase agreements and non-recourse loans to farmers by the Commodity Credit Corporation. These loans have the effect of removing excess grain from the market and placing it in CCC storage. Through this price support program, U.S. wheat growers have been able to receive an average of $1.80 to $2.00 a bushel for wheat in the past several years, even though world market prices were about one-third lower.

Obviously, U.S. wheat at these higher domestic prices will not move into the world market except through some compensating device. This device takes the form of an export payment, made "in kind" to the exporter ("in cash," for flour), enabling him to offer his wheat to foreign buyers at competitive world prices.

It should be pointed out that the exporter does not pocket this export payment in the form of profit. Actually, the payment merely compensates him for the loss he would otherwise suffer by buying high and selling low. It is the U.S. farmer who actually receives the ultimate benefit in that the payment is part of the program maintaining his domestic wheat prices at levels higher than world prices. The export payment also makes it possible to move substantial amounts of U.S. wheat production out of storage and thereby help to reduce the cost of maintaining excessive inventories.

This payment program has authorization under the act establishing CCC and the act of 1949 enabling participation in the International Wheat Agreement.

Each business day, Department of Agriculture specialists observe world wheat prices and wheat prices in the United States. At 3:30 each afternoon, USDA announces export payment rates for key classes of wheat on all coasts of export. On October 16, for example, the export payment that made U.S. No. 2 Hard Red wheat competitive in the world market from Gulf ports was 59 cents per bushel; on the west coast, the rate for Hard Red Winter wheat was 68 cents, while that for Soft White wheat was 48 cents. These rates vary because of market factors in the United States and because wheat-producing areas are at different distances from ports. Although this payment in the first instance went to the exporter, it actually ended up in the pocket of the wheat producer in the form of a price above the world level.

Announcement of these export payment rates constitutes an offer by the government to pay the stated amount per bushel for any wheat or flour sold for export during the 24-hour period between daily subsidy announcements. The wheat exporter can look at U.S. market prices and at the export payment announced and bid for business in the competitive world markets.

Types of transactions

U.S. wheat shipments abroad can be classed under commercial sales for dollars and Food for Peace agreements—the latter for credit, for foreign currencies, or in some cases as grants to foreign countries. Sales for dollars, sales for foreign currency, and some sales for credit are handled under the export payment procedure just described. They are exclusively sales by the private trade. Most of the wheat involved in these three types of sale for the past several years has come from the current crop of wheat—directly from commercial stocks, not from CCC stocks. Some wheat from CCC has moved into export each year, however, primarily because export payments have been made "in kind"—that is, in wheat.

Barter transactions in wheat under Title III of Public Law 480 and sales of wheat under a CCC export credit program add a small amount to each year's exports. Some CCC wheat has also become available for export and for domestic use in recent years. This can happen when market prices rise to exceed current support prices by more than 5 percent plus reasonable carrying charges, putting CCC stocks freely in the market according to law.

International Wheat Agreement

World wheat prices, like domestic prices, have been stabilized to some extent since 1949. The International Wheat Agreement (IWA), last renewed in 1962, provides the means for doing this. The IWA is an agreement among exporting and importing countries to conduct most of the world's commercial wheat trade within a certain price range.

The range of prices in the 1962 Agreement is $1.62½ to $2.02½ per bushel in terms of a basic wheat, No. 1

Manitoba Northern, stored in a warehouse at Fort William or Port Arthur, Canada, on Lake Superior. This range of prices is roughly equal to $1.15 to $1.55 per bushel for average-quality hard wheats on the farm in the central United States, taking into account prevailing differentials for quality and location.

Exporting countries agree, under the IWA, to supply a specific portion of importers' needs for wheat and flour at the maximum price, even if world prices should rise higher as the result of a wheat shortage.

Importing countries agree to buy a specified percentage of their total commercial wheat and flour purchases from member exporters so long as prices remain within the agreement price range.

During the past year, wheat has been moving from exporting countries to importing countries at prices approximately midway in the IWA range. These prices, less freight from farms to export terminals, can be translated into a farm price of $1.30 to $1.35 per bushel at a central U.S. farm—even though farmers have been receiving $1.80 to $2.00 per bushel for their export wheat because of their price support program.

Effect of Soviet purchases on U.S. programs

The expected sale of large amounts of wheat to the Soviet Bloc will not only be of direct benefit to the U.S. balance of payments, like any other large commercial sale to an overseas buyer; it will also benefit the Federal budget through a reduction in government storage costs. In addition, it will help to strengthen farm prices.

Whether payments for the wheat are made in gold, dollars, convertible currencies, or any combination of these, the net effect will be to increase U.S. gold stocks, reduce the pressure on the U.S. dollar, or both. For example, a sale of 150 million bushels of wheat on the basis of world prices would mean an inflow of $240 million to $260 million. Each additional 50 million bushels would mean an additional inflow of around $85 million. Shipping revenue would mean a further inflow.

A sale of this size would mean nearly as much in savings to the Federal budget as it would to the balance of payments. These savings would come about because CCC stocks would be reduced by an equivalent number of bushels. Since the current U.S. wheat crop is smaller than overall requirements, there is a tight supply of privately held wheat, and the trade must buy "extra" supplies from the CCC. In fiscal year 1964, the chief effect on the Federal budget would be a net reduction of around $225 million in budget expenditures, including CCC storage, acquisition, and related costs. The actual costs would depend on the level of world prices and its effect on the amount of export subsidy that would be paid. In fiscal 1965, the impact would be to reduce CCC expenditures for storage and interest by about $30 million as a result of the reduction in CCC holdings.

To the U.S. farmer, a substantial increase in exports will mean strengthening of farm prices and improving of income. Prices during the remainder of the season might run close to $1.90 per bushel, with a gain in farm income of perhaps $100 million. Farmers have been unusually tight holders of wheat in the current year and have not made extensive use of the price support loan program. Some prices already have risen to the CCC statutory minimum sales price (105 percent of current loan plus carrying charges). Prices are likely to continue at about recent levels, allowing for the usual seasonal increases.

IDB To Finance Regional Latin American Trade

The Inter-American Development Bank has announced a pioneering program to help its Latin American member countries do more business among themselves.

Long concerned over Latin America's dependence on primary commodities (such as coffee and sugar), the Bank hopes to foster basic industries by finding ways for the countries to finance "intra-regional" exports of the capital goods they produce. Exports to be encouraged in this way are those the Bank feels will promote the economic development of the importing country; and among the types included are several with special importance for agricultural development.

The program is scheduled to get underway by January 1, 1964, with an initial allocation of $30 million from the Bank's ordinary resources. Designed to mobilize sources of financing both within and outside the region, it will be the world's first multilateral system of financing.

The Bank's program will operate through national agencies designated by the exporting countries. Through medium-term loans (6 months to 5 years), the Bank may finance up to 70 percent of the value of any export transactions; the importer must pay at least 20 percent in cash; and the national agency is to arrange funds for the rest.

This joint financial responsibility is one of the program's unusual features; another is the way it determines what goods are eligible for export loans. The Bank's definition of "national origin" is broad; it includes goods produced with raw materials or parts from any member country in the region, with materials from outside the region accounting for less than 50 percent of the price of the finished article. This means not only direct benefits for the Latin American country exporting the finished article but indirect benefits for the Latin American countries producing the raw materials or parts.

In the Bank's provisional list of items eligible for financing, some are of particular interest to Latin American agriculture. Among these are machinery and mechanical equipment for agriculture; tractors; machinery and equipment for industries producing textiles, hides and leather, food products, and fishmeal; road construction equipment, railway material, trucks, trailers, and ships, to help expand and maintain Latin America's transportation and marketing facilities; and special apparatus for hydroelectric power stations and irrigation.

Cottonseed being loaded for Europe at Corinto. In 1962, cotton and seed earned almost twice as much foreign exchange as coffee—nearly 40 percent of total export value. Most cotton went to Japan and West Europe.

Photos from World Bank and Pan American Union

Farm Diversification Helps Nicaragua's Trade

Nicaragua's farm policy, like that of many other traditional coffee countries, rests on the diversification of agriculture, both to provide more food at home and to ease dependence on coffee exports. This policy has paid off in favorable trade balances. Cotton has pushed coffee out of the top export position; and exports of frozen beef, sugar, and bananas are rising.

The livestock and dairy industries, aided by imports of purebred cattle—mostly U.S.—through the Production Development Institute (INFONAC), are expanding vigorously. INFONAC has also sponsored the comeback of the banana, which was nearly wiped out by disease. This and basic foods like plantains, corn, rice, and beans will benefit from current colonization and irrigation plans.

For most Nicaraguan farm exports except cotton, the United States is chief market; and it supplies about half Nicaragua's farm import requirements.

Above, right, clearing unused land. New Agrarian Reform Law provides for colonizing such areas. Below, left, moving cattle by boat for fattening; right, modern grain-drying and storage plant.

European and U.S. Leaders Participate In U.S. Agricultural Trade Symposium

Several hundred opinion leaders of Western Europe and the United States will exchange ideas on food, agriculture, and agricultural trade at the European-American Symposium on Agricultural Trade, in Amsterdam, the Netherlands, Nov. 11-15, the U.S. Department of Agriculture said in announcing the program for the event.

The Symposium will run concurrently with the 18-day U.S. Food and Agriculture Exhibition, to be opened by U.S. Vice President Lyndon B. Johnson on November 7, in Amsterdam's R.A.I. exhibition building.

The keynote for the Symposium will be sounded at the opening session Monday afternoon, November 11, when V. G. M. Marijean, Prime Minister of the Netherlands, and U.S. Senator Hubert Humphrey present European and American views on "The Place of Liberal Trade in the Policies of the West." At the opening banquet that evening, the principal speaker will be Arnold J. Toynbee, the British historian.

At the final session, Friday morning, November 15, representatives of three of the major international trading entities in the West will exchange views on "Relating National Agricultural Policies to Expanding Trade." In this discussion, Secretary of Agriculture Orville L. Freeman will represent the United States; Sicco L. Mansholt of the Netherlands will represent the European Economic Community, in which he is Vice President of the Commission; and Minister of Agriculture Christopher Soames will represent the United Kingdom.

Between the opening and closing programs, there will be six half-day sessions, each devoted to a major topic. Two major speeches will be made on each topic, one by a leading European and the other by an American. These addresses will then be the subjects of short talks by three or four discussants—some American but most of them European — followed by general discussion.

Topics of the sessions, their chairmen and speakers, are:

The Technological Revolution in World Agriculture. Chairman: George Philippopoulos, Deputy Director General, Ministry of Agriculture, Greece.

Speakers: The Reverend H. De Farcy, Director, Ecole Superieure D'

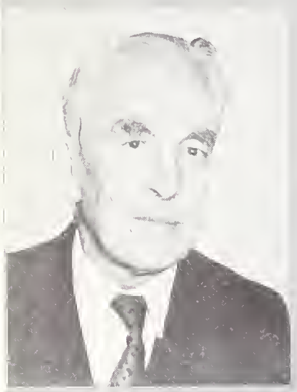
(Continued on opposite page)


U.S.: JOHNSON


NETHERLANDS: MARIJNEN


U.S.: FREEMAN


EEC: MANSHOLT


U.K.: TOYNBEE


U.S.: MRAK

GERMANY: BERG


U.S.: HUMPHREY

West German Poultry Experts Visit U.S.

Two West German poultry experts have just concluded an intensive 3-week inspection of U.S. poultry production.

They are shown at left at a conference with FAS poultry specialists in Washington, D.C.; (l to r) Clifton C. Warren, FAS; Dr. Herwig Schultze-Petzold, Director, Divisions of Animal Diseases and Protection of Animal Health, Federal Ministry of Agriculture; interpreter; Herbert W. Ford, FAS; and Dr. Alfred Willi Mehner, Director, Federal Research Inst. for Small Animals, Celle, Germany.

The trip is part of a plan to bring key people from EEC countries to see how U.S. methods of producing meat-type poultry provide consumers with a wholesome, edible product at economical prices.

U.S. producers believe that greater knowledge of the United States' strict enforcement of its feed laws and health regulations might help make upcoming EEC food and health regulations less restrictive.

The Germans visited poultry processing plants, broiler and turkey farms, and government and industry research laboratories in Virginia, Maryland, Iowa, Wisconsin, Chicago, and New York City.

Proposed Grain Standards Draw Nationwide Response

The proposed changes in U.S. wheat standards continue to draw wide response from wheat interests in this country, as well as from buyers overseas.

These statements—and testimony presented at USDA hearings earlier this month—will be important factors considered by the Agricultural Marketing Service in deciding whether to amend present U.S. wheat standards as part of the effort to make U.S. wheat more competitive in overseas dollar markets.

The hearings, where 167 persons testified, were held in these wheat marketing centers: Kansas City, Mo.; Minneapolis, Minn.; Portland, Oregon; and Toledo, Ohio. Most witnesses represented farm and producer organizations, grain elevator companies, millers, and wheat exporters. At each session, spokesmen for the USDA explained the need for the proposed changes.

Standards now in effect were set up in 1917 and have been amended only a few times since then.

If changes are made, they would become effective on or about May 1, 1964. Any changes would be published in the *Federal Register* and could go into effect sometime after 90 days following publication.

(Continued from page 8)

Agriculture D'Angiers, France; H. Brooks James, Dean, School of Agriculture, North Carolina State College.

Emerging Agricultural Trade Problems and Opportunities. Chairman: J. Buchler, Secretary General, Ministry of Agriculture, Luxembourg.

Speakers: George Allen, Professor of Agricultural Economics, Oxford University, United Kingdom; L. W. Witt, Professor of Agricultural Economics, Michigan State University.

Science and the Development of Food Standards and Regulations for International Trade. Chairman: Sven Dalgaard-Mikkelsen, Professor, The Royal Veterinary and Agricultural College, Denmark.

Speakers: Jean-Pierre Latteur, Chairman, Common Market Committee on Food Standards, Belgium; Emil Mrak, Chancellor, University of California.

Consumer-Labor Interests in Food and Agricultural Trade. Chairman: Charles McCarthy, President-elect, Irish Congress of Trade Unions, Ireland.

Speakers: Juul Poulsen, Secretary General, International Union of Food and Allied Workers, Denmark; Bert Seidman, European Economic Representative, AFL-CIO, Paris.

Business Interests in Food and Agricultural Trade. Chairman: W. E. Zesiger, Stucker and Zesiger, Bern, Switzerland.

Speakers: Fritz Berg, President, Federation of German Industries, Germany; Jesse Tapp, Bank of America, Los Angeles, California.

Problems of Farm Income in Relation to Trade. Chairman: Hans Borgen, Chairman, Federation of Agricultural Cooperatives, Norway.

Speakers: J. Horring, Professor, Agricultural University, Wageningen, Netherlands; George Brandow, Professor of Agricultural Economics, Pennsylvania State University.

Honorary chairman of the Symposium will be B. W. Biesheuvel, Minister of Agriculture, the Netherlands; Secretary General, John S. Rice, U.S. Ambassador to The Hague.

Sessions will be in the Glass Hall of the R.A.I. Building. Simultaneous interpretation will be provided in French, German, Dutch, and English.

Yugoslavia To Import Corn and Barley

The Yugoslav Secretary of Agriculture has announced that Yugoslavia will import 150,000 metric tons of corn and 80,000 of barley in 1963-64. The reason given for these imports is that they will help stabilize prices.

In the past, corn has been an important Yugoslav export commodity, going mainly to Western Europe; exports in 1959-61 averaged 400,000 tons annually. In 1962, however, Yugoslavia was a net importer in the amount of 33,000 metric tons.

Lentil Production Down in Four Countries

France, Greece, Jordan, and Lebanon all estimate their 1963 lentil production to be lower than normal. Compared with the 1955-59 average, output is down 50 percent in France, 30 percent in Greece, 40 percent in Jordan, and 5 percent in Lebanon. These decreases are offset to a large extent by a 25-percent increase in Spain, the largest reported producer.

LENTILS: PRODUCTION IN SELECTED COUNTRIES AVERAGE 1955-59, ANNUAL 1961-63

Country	1955-59 average	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
France	10,140	9,700	6,300	5,000
Greece	12,000	16,106	10,637	8,735
Jordan	5,940	6,400	6,390	3,650
Spain	25,500	22,000	33,500	33,500
Lebanon	1,760	2,000	1,300	1,700
Total	55,340	56,206	58,127	52,585

The possible impact of these varying decreases and increases on international lentil trade may be judged from the following factors:

France is the world's second largest lentil importer, averaging upwards of 15,000 tons annually. A loss of 5,000 tons from normal production should sharpen the French demand for imports.

Greece normally imports 2,500 tons. Therefore the expected loss of 4,000 tons from normal domestic production should strengthen the Greek demand materially. In fact, the Greek Government recently suspended until April 30, 1964, all controls on imports of lentils except the usual import duty of 54 US cents per hundredweight.

Jordan normally is an importer of 1,000 or 2,000 tons of lentils, and Lebanon is one of the world's largest re-exporters of lentils purchased from other Middle East producers.

There is no information available at this time on lentil production in areas where Lebanon normally buys, principally Syria. Syrian grain crops generally are not turning out as well as was expected earlier in the season.

It is indicated that Spain may export 5,000 tons from this year's large production and import nearly 1,000.

Canadian Dry Pea Output Still Below Normal

The 1963 dry pea crop in Canada, estimated at 555,000 bags of 100 pounds each, is 12 percent larger than last year's but still 18 percent below the 1957-61 average of 677,660 bags.

Harvested acreage in 1963 declined for the eighth consecutive year, to 49,200 acres. Acreage increases and better-than-average yields in Manitoba alone brought the national outturn above last year's. But a 64-percent decrease in acreage in Alberta and a 47-percent one in British Columbia kept total production below normal. Small acreages in Ontario and Quebec remained about the same as last year's.

Canada's production, consumption, and exports of dry peas has been declining since the mid-1950's. Imports have increased, and in the past 2 years 80 percent of them have come from the United States.

U.S. Feed Grain Exports Decline

U.S. feed grain exports totaled 2.1 million metric tons for July-August 1963 compared with 2.5 million for the same period last year. The decrease was largely in shipments to the European countries.

Exports of oats and barley showed the greatest decrease over those for the same period for the preceding year.

A table showing exports to principal countries and a detailed story appears in the October issue of the *World Agricultural Production and Trade Statistical Report.*

Australia Exports Less Barley and Oats

Australian exports of barley and oats totaled 600,000 metric tons in 1962-63 (July-June) compared with 1.1 million a year earlier. The decrease was largely in shipments of barley to Europe.

A table showing exports to principal countries and a detailed story appears in the October issue of the *World Agricultural Production and Trade Statistical Report.*

Japan and Taiwan Set Sugar Agreement

On October 9 the Japan Sugar Refiners Association concluded negotiations with Taiwan to fix the volume and price of Japan's raw sugar imports from Taiwan's crop for this year (beginning Nov. 1). It was agreed that Japan should import 350,000 metric tons (385,805 short tons) from Taiwan, at prices based on the average of international market prices 2 months before each month's shipment. Under the contract, Japan is to import between 350,000 and 450,000 tons a year.

Japan presently is importing about 1.4 million metric tons (1.54 million short tons) of raw sugar per year. Taiwan was the second largest supplier in 1962 as imports from this source amounted to 421,629 metric tons (464,762 short tons).

Australia Aids New Guinea Coffee Exports

To encourage marketing of coffee from the Territory of Papua and New Guinea, Australia has arranged to give importers who take part of their imports from the Territory a remission on the raw coffee import duty.

Importers obtaining between 25 and 30 percent of their total requirements of raw coffee from the Territory during each quarter of the October 1-September 30 coffee year will receive a remission of 2d. per pound (1.8 US cents). Those who obtain 30 percent or more of their requirements from the Territory will get 5d. per pound (4.6 US cents).

Australian coffee roasters who do not qualify for whole or partial remission of duty in any one quarter may then be assessed on the basis of two or more consecutive quarters in the coffee year to give the highest possible remission of duty.

As in the past, all raw coffee from the Territory of Papua and New Guinea will be admitted duty free.

U.S. Cocoa Grindings Up in July-September

U.S. grindings of cocoa beans during the third quarter of 1963 amounted to 135.4 million pounds, bringing the January-September total to 428.9 million. Last year, grindings were 131.2 million pounds in the third quarter, 409.7 million in the 9-month period, and 561.9 million for the whole year.

Finnish Instant Coffee Market Growing

Instant coffee has become increasingly popular in Finland in the last 5 years. All of the coffee is imported, and American brands dominate the market. Imports of instant coffee have grown from 18,100 pounds in 1958 to 553,600 pounds in 1962. Of the 1962 total, 86 percent came from the United States and the rest from Western Germany, Switzerland, and Sweden.

Imported vacuum-packed coffee is also growing in popularity, with American and Swedish brands competing for the market. Imports in 1962 totaled 619,000 pounds, of which Sweden supplied 349,000 pounds and the United States 241,000.

Most of the coffee consumed in Finland is imported as raw coffee, then roasted and packed locally, usually in one-fourth, one-half, and 1-kilogram (2.2-pound) bags. Finland's raw coffee imports in 1962 totaled 86.5 million pounds (653,900 bags of 60 kilos each), as compared with 84.4 million pounds (637,900 bags) in 1961.

In January-June 1963, Finland imported 246,400 pounds of instant coffee, 260,000 of vacuum packed coffee, and 34.6 million (261,600 bags) of raw coffee.

U.S. Imports More Cotton in August

U.S. imports of cotton for consumption totaled 79,000 bales (500 pounds gross) in August, the first month of the 1963-64 quota year for long-staple growths. Imports had amounted to only 3,000 bales in July, though they were 89,000 in August 1962.

Practically all of the imports during August entered under the 1963-64 global quota on long-staple cotton (1⅛ inches and longer), with Egypt the largest supplier. There were small entries of short harsh Asiatic cotton, which is not subject to quota. The quota for extra-long staple (1⅜ inches and longer), totaling about 82,500 bales, was completely filled on the opening day of the current quota year.

COTTON: U.S. IMPORTS BY COUNTRY OF ORIGIN, AUGUST 1963 WITH COMPARISONS

(Bales of 500 pounds gross)

	Year beginning August 1					
	Average				August	
Origin	1935-39	1950-54	1961	1962	1962	1963
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Brazil	3	([1])	1	2	0	0
Burma	([2])	([1])	4	3	([1])	0
China, Mainland [3]	25	0	0	0	0	0
India	[2] 67	29	20	13	([1])	1
Mexico	23	15	29	30	9	([1])
Pakistan	([2])	8	12	5	([1])	1
Peru	1	13	22	23	23	32
Sudan	([4])	2	2	3	1	1
UAR (Egypt)	63	83	63	58	54	45
USSR	2	([1])	([1])	0	0	0
Other countries	1	2	([1])	([1])	2	0
Total [5]	185	152	[6] 153	[6] 137	89	[7] 79

[1] Less than 500 bales. [2] Burma and Pakistan included with India. [3] Includes Taiwan (Formosa) prior to January 1, 1953. [4] Included with Egypt prior to 1942. [5] Includes small quantities that are reexported each year. [6] Does not include picker lap imports reported by the Bureau of the Census as raw cotton. [7] Does not total due to rounding.

Compiled from Bureau of Census records.

Egypt Forecasts Smaller Cotton Crop

The first official estimate of Egypt's 1963-64 cotton crop, now being harvested, is 2,028,000 bales (500 pounds gross). This decrease, about 3 percent from the near-record 1962-63 crop of 2,101,000 bales, is largely attributed to insect damage and extremely hot, humid weather. Output of extra-long-staple cotton (over 1⅜ inches), estimated at 941,000 bales, is 10 percent smaller than in 1962-63, while the indicated production of other staple lengths is about 5 percent above the 1962-63 crop. The area devoted to cotton this season is estimated at 1,689,000 acres—down somewhat from the 1,720,000-acre figure of 1962-63 and the annual average of 1,906,000 acres in the past 5 seasons.

COTTON: EGYPT, PRODUCTION BY STAPLE LENGTH AND VARIETY, 1962-63 AND 1963-64

Staple length and principal varieties	1962-63 [1]	1963-64 [2]	Percent change
	1,000 bales [3]	*1,000 bales*	*Percent*
Extra-long staple, over 1⅜ inches: Karnak, Menoufi, and Giza 45	1,050	941	—10
Medium-long staple, 1-9/32 inches to 1⅜: Giza 30, 31, and 47	469	502	+7
Medium staple, 1¼ inches and and below: Ashmouni	539	563	+4
Total classified	2,058	2,006	—3
Scarto (unclassified cotton)	32	22	—31
Total	2,090	2,028	—3

[1] Final official estimate. [2] First official estimate. [3] Bales of 500 pounds gross.

The Egyptian Government has permanently suspended exports of all 1963-64 crop Ashmouni and Dendera cotton classing Good and lower. Also, export sales of all grades of Karnak and Giza (Isis) varieties have been temporarily suspended pending a more accurate assessment of the crop outturn.

Effective October 6, the Egyptian Cotton Commission announced a further increase in official export selling prices for certain grades of Menoufi, Giza 47, Dendera, and Ashmouni. This is the eighth price increase since last April for specified grades of 1963-64 crop cotton. As of October 6, official prices, f.o.b. Alexandria, for Fully Good grades of Giza 45, Menoufi, and Karnak were 43.44, 39.49, and 39.49 cents per pound, respectively—2.70, 2.91 and 2.91 cents per pound above the official prices in effect last April.

U.S. Imports of Cotton Linters Rise

U.S. imports of cotton linters, mostly felting qualities, totaled 22,000 bales (500 pounds gross) in August, the first month of the 1963-64 season. This was an increase of 83 percent from the 12,000 bales imported in August 1962.

Quantities imported from principal sources during August, with comparable 1962 figures in parentheses, were Brazil 8,000 bales (0); Mexico 7,000 (6,000); El Salvador 4,000 (2,000); and Syria 1,000 (0).

Linters imports in August amounted to 22,000 bales compared with 23,000 in the preceding month and 12,000 in August 1962.

U.S. Exporting More Animal Products in 1963

U.S. exports of nearly all major livestock and meat products increased during the first 8 months of 1963 from the same months in 1962.

Larger purchases by the United Kingdom helped to up shipments of lard through August by 22 percent. Inedible tallow exports increased by almost 10 percent, showing the effects of larger shipments under P.L. 480.

Red meat exports were up by nearly 60 percent to over 100 million pounds, with increased shipments of pork to Canada accounting for most of the gain. Variety meat exports were up by 31 percent, as the result of large U.S. supplies and strong European demand.

Shipments of sausage casings continued well ahead of those for the previous year as European buying remained active.

Exports of mohair during the first 8 months reached 9.1 million pounds, an increase of 6 percent from the same period last year. This commodity is purchased almost exclusively by the major wool consuming countries—the United Kingdom, Japan, and the European Common Market.

Hides and skins exports through August were mixed. There has been a slight increase in cattle hide shipments from the high level of a year earlier, and a sharp rise in exports of sheep and lamb skins, while exports of calf and kip skins trailed those for the previous year. U.S. cattle hide and calfskin prices have declined sharply in recent months.

U.S. EXPORTS OF LIVESTOCK PRODUCTS, AUGUST 1963, WITH COMPARISONS

(Product weight basis)

Commodity	August 1962	August 1963	Jan.-Aug. 1962	Jan.-Aug. 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	34,512	64,798	302,316	368,933
Inedible tallow and greases [1]	137,486	136,554	1,132,089	1,240,273
Edible tallow and greases [2]	748	1,085	8,945	7,516
Meat:				
Beef and veal	2,426	2,677	17,418	16,004
Pork	5,410	6,528	41,515	82,359
Lamb and mutton	36	42	1,696	631
Sausage:				
Except canned	155	246	1,039	1,107
Canned	86	71	563	596
Baby food, canned	99	157	647	477
Other canned meats	91	76	818	903
Total red meat	8,303	9,794	63,696	102,077
Variety meat	9,662	12,904	79,120	103,450
Sausage casings:				
Hog	866	1,435	8,808	10,035
Other natural	836	1,012	3,226	4,256
Mohair	888	755	8,563	9,129
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	773	756	4,753	4,888
Calf	102	115	1,130	969
Kip	32	32	227	154
Sheep and lamb	178	229	1,477	1,838

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible greases, fats and oils. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, exc. lard.

New Zealand Plans Stricter Meat Inspection

New Zealand may tighten killing and inspection standards for its export meat. Plans now being discussed call for inspection procedures that could result in the hiring of 200 meat inspectors, in addition to the 500 now employed, and more veterinarians to serve as supervisors.

New procedures including inspection of the viscera at the same time the carcass is examined, will cost the New Zealand industry an estimated $8 million to $11 million per year.

Although present standards are deemed adequate, new ones are being discussed in view of the strict American requirements and the rules of some European countries.

U.S. Importing More Meat and Carpet Wool

U.S. imports of red meat in January-August 1963 totaled 929 million pounds, up 18 percent from the same period last year. Imports of boneless beef, the major category, rose by 20 percent to 605 million pounds, and those of canned meat, by about 50 percent to 75 million. Lamb imports also increased sharply, totaling 13.7 million pounds compared with 7.5 million for the first 8 months of 1962.

Imports of dutiable apparel wool remained virtually unchanged in January-August from the same period a year earlier. However, imports of duty-free carpet wools rose by 35 percent, reaching 121 million pounds.

Imports of the major types of hides and skins this year showed mixed trends. Cattle and buffalo hide imports decreased this January-August, while those of calf and kip skins increased. Imports of sheep and lamb skins, goat and kid skins, and pigskins also decreased.

Live cattle imports were down sharply in August from the same month last year, and the total number imported during January-August, remained slightly below that for 1962.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, AUGUST 1963, WITH COMPARISON

(Product weight basis)

Commodity	August 1962	August 1963	Jan.-Aug. 1962	Jan.-Aug. 1963
Red meats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beef and veal:				
Fresh and frozen, bone-in	1,867	1,310	11,320	12,255
Fresh and frozen, boneless	101,891	101,962	504,511	604,613
Canned, including corned	8,031	11,087	52,558	75,064
Pickled and cured	39	118	355	451
Veal, fresh and frozen	1,456	1,669	11,552	12,100
Other meats [1]	3,686	2,618	18,510	17,969
Total beef and veal	116,970	118,764	598,806	722,452
Pork:				
Hams and shoulders, canned	10,971	9,234	88,193	93,678
Other pork [2]	5,415	5,096	48,860	48,131
Total pork	16,386	14,330	137,053	141,809
Mutton	5,344	3,677	44,036	50,814
Lamb	1,242	1,277	7,512	13,696
Total red meat	139,942	138,048	787,407	928,771
Variety meats	151	177	1,334	1,646
Wool (clean basis)				
Dutiable	8,007	5,780	82,758	81,922
Duty-free	15,974	15,969	89,591	121,201
Total wool	23,981	21,749	172,349	203,123
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	9	31	320	277
Calf	97	97	535	580
Buffalo	63	46	578	410
Kip	71	60	527	698
Sheep and lamb	2,070	1,723	22,345	21,003
Goat and kid	1,375	1,346	10,523	10,162
Horse	43	39	381	320
Pig	80	22	1,047	631
	Number	*Number*	*Number*	*Number*
Live cattle [3]	33,333	14,935	594,565	563,582

[1] Other meat, canned, prepared or preserved. [2] Fresh or frozen; hams, shoulders, bacon not cooked; sausage except fresh; prepared and preserved. [3] Includes cattle for breeding.

U.S. Department of Commerce.

Ireland Airlifts Lamb Carcasses to France

Ireland's exports of lamb carcasses have risen sharply in recent weeks. Five meat companies have been air freighting large numbers out of the Dublin airport since the French Government opened its doors to imports from outside countries.

Since September 6, there have been about four or five flights a day, each carrying approximately 450 lamb carcasses to France and Belgium. Lambs are also moving from Northern Ireland to Eire for shipment to the Continent.

As a result of the heavy demand for lamb, the sheep population in Ireland this year is slightly below 1962's.

Australian Meat Moves to the U.S.

Nine ships left Australia during the month of September with 27,301,120 pounds of beef, 403,200 of mutton, 51,520 of lamb, and 24,640 of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Anna Bakke, Sept. 7	Seattle	Oct. 27	Beef	396,480
			Mutton	2,240
	Tacoma	29	Beef	98,560
	Portland	Nov. 1	Beef	365,120
	Los Angeles	7	Beef	188,160
	San Francisco	11	Beef	479,360
Ventura, Sept. 15	Los Angeles	Sept. 30	Beef	967,680
	San Francisco	Oct. 3	Beef	454,720
	Portland	7	Beef	237,440
	Seattle	14	Beef	127,680
Gudrun Bakke, Sept. 17	Tacoma	([1])	Beef	11,200
	Seattle	Nov. 7	Beef	454,720
	Portland	10	Beef	291,200
	Los Angeles	17	Beef	1,787,520
	San Francisco	21	Beef	815,360
			Mutton	6,720
Mariposa, Sept. 23	San Francisco	Oct. 10	Beef	257,600
	Los Angeles	14	Beef	524,160
Cap Corrientes, Sept. 27	Seattle	14	Beef	663,040
	San Francisco	22	Beef	1,534,400
	Los Angeles	26	Beef	2,029,440
			Mutton	4,480
	Eastern and Gulf ports			
Antarctic Ocean, Sept. 14	New Orleans	Oct. 10	Beef	624,960
	Norfolk	([1])	Beef	255,360
	Philadelphia	Oct. 14	Beef	1,648,640
	New York	16	Beef	2,105,600
			Mutton	67,200
	Boston	18	Beef	383,040
Cap Vilano, Sept. 15	Charleston	Oct. 9	Beef	212,800
			Var. meats	11,200
	Boston	13	Beef	521,920
			Mutton	31,360
	Norfolk	16	Beef	33,600
	Philadelphia	18	Beef	734,720
			Mutton	29,120
	New York	20	Beef	2,896,320
			Mutton	60,480
			Var. meats	13,440
Pioneer Surf, Sept. 16	Houston	Oct. 17	Beef	156,800
	Charleston	21	Beef	100,800
	Boston	25	Beef	33,600
	New York	Oct. 27	Beef	291,200
	Baltimore	Nov. 1	Beef	156,800
Point Vindex, Sept. 19	Savannah	Oct. 19	Beef	280,000
			Mutton	123,200
	Charleston	20	Beef	472,640
			Mutton	33,600
	Norfolk	22	Beef	306,880
			Mutton	44,800
	Philadelphia	24	Beef	441,280
	New York	25	Beef	3,122,560
			Lamb	31,360
	Boston	31	Beef	566,720
			Lamb	20,160

[1] Not available. [2] Cities listed indicate city of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.

New Zealand Meat Exports to the U.S.

Meat shipments to the United States from New Zealand totaled 203 million pounds in the 11-month period beginning October 1, 1962. Boneless beef and veal accounted for 94 percent of these shipments, however, there were small amounts of lamb, ewe, bone-in beef and veal, pork, and variety meats.

New York was the major destination, taking 39 per-

cent of the total. Next came San Francisco and Los Angeles, each taking about 10 percent.

SHIPMENTS OF MEAT FROM NEW ZEALAND TO THE UNITED STATES, OCT. 1962-AUG. 1963

Destination	Beef and veal: Bone-in	Beef and veal: Boneless	Lamb	Ewe	Total [1]
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
New York	1,225	73,761	3,911	260	79,475
Philadelphia	——	18,832	103	269	19,358
Boston	291	6,108	1,180	——	7,703
Galveston	34	13,254	317	251	13,855
Wilmington	——	1,210	——	——	1,212
Charleston	69	13,480	76	576	14,441
Norfolk	90	5,215	44	40	5,388
Tampa	67	4,296	712	90	5,199
New Orleans	4	759	57	——	821
Miami	——	744	——	——	744
Baltimore	——	296	——	——	296
Los Angeles	594	19,378	672	105	20,760
San Francisco	7	21,544	676	——	22,310
Seattle	170	9,597	166	——	9,933
Portland	34	506	69	——	609
Anchorage	——	741	13	——	754
Total	2,585	189,721	7,996	1,591	202,858

[1] Includes 954,000 pounds of variety meats and 11,000 pounds of pork in addition to amounts shown.
New Zealand Meat Producers Board.

Canary Islands' Tobacco Imports Down

The Canary Islands' imports of unmanufactured tobacco during 1962, at 12.7 million pounds, were down 9.3 percent from the 14.0 million imported in 1961. Smaller imports from the United States, Brazil, Angola, Colombia, Cuba, and Indonesia more than offset stepped-up takings from the Dominican Republic and the Rhodesias-Nyasaland and initial imports from Mexico, the Philippines, Japan, Thailand, India, and Rumania.

TOBACCO, UNMANUFACTURED: CANARY ISLANDS, IMPORTS BY COUNTRY OF ORIGIN, 1960-62

Origin	1960	1961	1962
	1,000 pounds	1,000 pounds	1,000 pounds
Dominican Republic	2,451	4,748	4,945
Rhodesias-Nyasaland	220	2,402	2,566
Cuba	3,025	2,166	1,334
United States	1,188	1,358	1,209
Brazil	——	951	771
Philippines	——	——	649
Colombia	70	357	345
Japan	——	——	241
Angola	238	933	235
Mexico	——	——	161
Greece	59	35	33
Thailand	——	——	28
Indonesia	564	952	21
Others	2,219	49	117
Total	10,034	13,951	12,655

Average prices paid for leaf tobacco from principal suppliers during 1962, in terms of U.S. cents per pound, were as follows: The Dominican Republic, 29.8 cents; the Rhodesias-Nyasaland, 32.1; Cuba, 60.6; the United States, 78.0; Japan, 20.1; Mexico, 28.9; Thailand, 21.6; Colombia, 23.7; Brazil, 26.6 and the Philippines, 28.1.

Cigarette imports last year totaled 723,000 pounds, or almost 3 times the 1961 level of 265,000 pounds. Imports from the United States, the principal supplier, rose from 234,000 pounds in 1961 to 500,000 in 1962, and those from the United Kingdom, from 29,000 pounds to 188,00.

Jordan's Tobacco Imports Up

Jordan's imports of unmanufactured tobacco during 1962 totaled 1.3 million pounds, compared with 0.8 million during the previous year. Larger imports from the United States accounted for most of the increase.

Imports of U.S. leaf, at 906,000 pounds, were 37 percent greater than the 659,000 pounds imported during 1961. Takings from Iran rose from 80,000 pounds in 1961 to 89,000 in 1962. Combined imports from Greece and Turkey amounted to 7,118 pounds, compared with only 1,505 during the previous year. Also, total imports from African countries, presumably from the Rhodesias-Nyasaland, rose from 68,000 pounds in 1961 to 327,000 in 1962.

Dutch Tobacco Imports Increase

The Netherlands' gross imports of unmanufactured tobacco (direct imports plus withdrawals from bond) during the first half of 1963, at 42.5 million pounds, were about 30 percent greater than the 32.8 million pounds imported during the same period last year but still about one-fifth below the 1961 level of 53.8 million. Larger takings from all principal suppliers, except Italy and Indonesia, accounted for the gain from the first 6 months of 1962.

TOBACCO, UNMANUFACTURED: NETHERLANDS, GROSS IMPORTS, JAN.-JUNE 1963, WITH COMPARISONS

Origin	January-June 1961	January-June 1962	January-June 1963
	1,000 pounds	1,000 pounds	1,000 pounds
United States	16,067	9,806	12,326
Rhodesias-Nyasaland	7,870	3,807	5,966
Indonesia [1]	9,449	5,769	5,672
Brazil	6,314	3,175	3,746
India	1,475	1,041	1,911
Italy	1,506	2,138	1,777
Turkey	212	295	558
Greece	472	591	494
Cuba	474	291	437
Philippines	381	134	412
Canada	68	([2])	218
Others	9,535	5,764	8,948
Total	53,823	32,811	42,465

[1] Includes tobacco shipped via West Germany.
[2] If any, included in others.
Maandstatistiek van de in-, uit-en doorvoer per goederensoort, June 1963.

Imports from the United States rose from 9.8 million pounds to 12.3 million during the first half of 1963 but were still about one-fourth below the January-June 1961 level of 16.1 million. Takings from the Rhodesias-Nyasaland, at 6.0 million pounds, were 57 percent greater than the 3.8 million imported during January-June 1962. Also, imports from Brazil, India, Turkey, Greece, Cuba, the Philippines, and Canada were up from the first 6 months of last year. However, imports from Indonesia and Italy were down 2 and 17 percent respectively from the January-June 1962 levels of 5.8 and 2.1 million pounds.

India's Peanut Crop Forecast At 1962-63 Level

India's 1963-64 peanut crop, now in the maturing stage, is expected to be about the same as the 1962-63 crop of almost 4.6 million metric tons, unshelled basis. Acreage is reported to have increased about 5 percent from last year's 16.4 million acres, under the inducement of high prices for peanuts, peanut oil, and peanut oilcake during most of last season. The crop was adversely affected in the early stages of growth by drought and by floods, but prospects have improved considerably in the principal producing areas.

During the last 12 years there has been a considerable increase in peanut acreage in India. However, production has not increased commensurately because the per-acre yield has tended to decline rather than increase. Any potential increase in production that was foreseen prior to the development work initiated during the First and Second 5-Year-Plan periods and during the first 2 years of the Third Plan has yet to materialize owing mainly to lack of irrigation facilities.

India's exports of peanuts and peanut products during the first 7 months of 1963 increased considerably from the near-record levels of 1962. Total export earnings during the entire year are likely to be the highest in the post-independence period except in 1955, when India exported more than 160,000 tons of peanut oil alone.

PEANUTS AND PEANUT PRODUCTS: INDIA'S EXPORTS, 1960-62 AND JANUARY-JULY 1963

	1960	1961	1962	Jan.-July 1963
	Quantity			
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Peanuts (shelled basis)	34,303	30,926	37,608	27,082
Peanut oil	1,674	1,477	33,746	57,972
Peanut cake (expeller)	78,193	47,320	33,024	28,707
De-oiled peanut meal	295,176	374,571	613,139	459,235
Vanaspati [1]	5,956	4,053	2,843	2,495
	Value			
	1,000 rupees [2]	*1,000 rupees* [2]	*1,000 rupees* [2]	*1,000 rupees* [2]
Peanuts	39,601	40,832	42,818	28,515
Peanut oil	2,577	2,466	47,319	84,749
Peanut cake (expeller)	30,343	16,437	13,011	11,188
De-oiled peanut meal	101,989	120,005	292,928	176.621
Vanaspati [1]	9,675	6,606	4,431	3,545
Total	184,186	186,346	400,507	304,618

[1] Hydrogenated edible oil, comprising mostly peanut oil. [2] 1 rupee = 21 U.S. cents.

According to present indications, any increase in the indigenous production of peanuts during 1963-64 is expected to be small. Production has failed to keep pace with the rapid annual increase in population, and the gap between supply and demand will increase in the new marketing year, which commenced October 1. Carry-over stocks from 1962-63 will be relatively small because of unusually large exports.

The prevailing high prices of peanuts and peanut products are likely to continue during the coming months. Despite the fact that the price of Indian peanut oil will continue to be higher than world prices, exports are expected to be kept up under the export promotion incentive scheme. Projected estimates of exports of peanuts and peanut products from India during the whole of calendar 1963 are as follows: Hand-picked, selected peanuts, 40,000 metric tons (shelled basis); peanut oil, crude, refined or purified, 75,000 tons; and peanut meal, 650,000 tons.

The Government of India is considering a proposal for subsidizing exports of vegetable oils which otherwise cannot compete in the world market. The government also will probably reconsider its export policy for oilcakes, in view of their importance as organic fertilizer and cattle feed in the country. The final decisions of the government on these two policy matters will have a significant bearing on the pattern of India's foreign trade in peanut oil and cakes. The increases of 10 to 12.5 percent in foreign freight rates, announced by the Karmahom Conference on July 31 and by the India-U.K. Continent Conference on October 4, 1963, are likely to have an adverse effect on India's export trade in general. Exports of oilcakes may be particularly affected; because these shipments are made mostly on a c.i.f. basis, the increase in freight rates will have to be borne by the exporters.

Philippines Exports More Copra, Coconut Oil

Recorded copra and coconut oil exports from the Philippines in January-September, as compiled from monthly data on registered shipments, totaled 639,967 and 146,936 long tons, respectively. Exports in the comparable period of 1962 amounted to 582,649 tons of copra and 83,970 of coconut oil.

On an oil-equivalent basis, combined exports of copra and coconut oil in the first 9 months of 1963 totaled 556,515 tons, compared with 456,865 in the same period of 1962—an increase of 22 percent.

Japanese Rapeseed Production Revised

Japanese rapeseed production in 1963, according to the second official estimate, is placed at 120,300 short tons, nearly one-sixth below the first official estimate of 143,100. (See *Foreign Agriculture,* July 8, 1963). This decline represents a drop of more than 150,000 tons from the 1962 crop. It reflects yields sharply reduced by continuous rains as well as significant decreases in plantings.

It is thought that Japanese rapeseed plantings in 1964 may continue to decline as a consequence of increases in flaxseed and peanut plantings.

Japanese imports of rapeseed, which in 1962 totaled 40,569 tons, may exceed 110,000 tons this year. Imports for the January-June period this year amounted to 53,086 tons, compared with 29,524 in the comparable period of 1962. Canada has been a major source of these imports.

The Government of Japan has increased the support price on 1963-crop rapeseed to 3,360 yen per 60 kilograms (7.1 U.S. cents per pound), 5.4 percent above that for 1962. Average monthly rapeseed prices to Japanese farmers through August this year, at 3,296 yen per 60 kilograms (7.4 U.S. cents per pound) were 6.5 percent above those in the same period a year ago. Prices in August, the latest month available, indicate an increase of 9 percent from the same month in 1962.

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The government pays farmers the difference between the support and the sale price; so far, however, sales have been at market prices above support with no cost being incurred by the government. The higher prices reflect reduced domestic supplies as well as higher world prices.

Quickening the Tempo of Economic Growth

(Continued from page 4)

dustrialized and of the less developed nations.

So far as the capital-exporting countries are concerned, each year a little more of their growing strength is put at the disposal of the developing world. The flow of development assistance now comes from more sources than ever before; it is better coordinated than in the past; and, over the last 5 years, the amount of assistance has risen by more than 50 percent. This aid needs to be continued, and on an increasing scale. Equally important, the terms on which it is provided, although now somewhat better than in the past, still need to be improved.

In addition to finance on sounder terms the developing world requires from the industrialized nations not only increasing aid, but also easier access to their markets. The primary products of many underdeveloped countries today encounter trade obstacles, be they tariffs, quotas, or internal taxes. Trade restrictions are also a serious barrier to the efforts of the developing countries to industrialize and to diversify their export structures—tasks which would be inherently difficult enough even with free access to markets.

However, financial and technical assistance from the Bank and other public sources is never going to be more than marginal to the requirements of the developing countries. While we can lubricate the machinery, the chief driving power must come from elsewhere—most of all from the developing countries themselves. But there is one source in particular of which much more use can be made; I am speaking of the energies, the talents and the capital that exist in the private sectors of both the developed and underdeveloped countries. We have an obligation to do all we can to create the conditions which will unlock this resource.

WORLD CROPS AND MARKET INDEX

(Other commodity articles listed on page 2)

Cotton

Fats, Oilseeds, and Oils

Grains, Feeds, Pulses, and Seeds

Livestock and Meat Products

Sugar, Fibers, and Tropical Products

Tobacco